

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.



RELEASE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 18-80

WASHINGTON, Sept. 17--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

CANADA is expecting larger crops of most grains this year, despite dry weather this summer. Statistics Canada's first production estimates for 1980 crops put wheat production higher than most mid-season forecasts, since it now appears little acreage was abandoned. Much of the larger wheat crop may go into stock building rather than export since Statistics Canada estimated July 31 wheat stocks at the lowest level since 1976. Canadian wheat exports during 1980/81 are forecast by the U.S. Department of Agriculture to remain at 12.5 million tons.

Canada's estimates for this year's grain crops, with comparisons for 1979, are as follows in 1,000 tons:

	<u>1980</u>	<u>1979</u>	<u>Change</u> <u>1980/1979</u>
Wheat	17,437	17,185	+1
Barley	10,689	8,460	+26
Oats	3,089	2,978	+4
Rye	433	525	-18

The PHILIPPINES' National Grains Authority (NGA) recently raised its wheat resale prices in response to higher world prices. The NGA's announced 16-percent increase brings its resale price to about \$280 per ton. Recent Philippine purchases of U.S. Dark Northern Spring wheat have been at about \$250 per ton c.i.f. Flour millers have raised resale prices at all levels by roughly 14 percent and bakeries are expected to boost bread prices by as much as 25 percent. Since all wheat consumed in the Philippines is imported, these price increases are anticipated to reduce import demand from a previously estimated level of 750,000 tons to about 650,000 tons.

THAILAND failed recently in its attempts to reach a satisfactory price for shipping corn to Japan and Hong Kong, but succeeded in its negotiations with Taiwan. Thailand's Board of Trade and the Japan Feed Trade Association failed to agree on a price for 120,000 tons of corn to be shipped in November. Earlier talks involving 70,000 tons of Thai corn for October shipment also concluded without agreement on

- more -

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

price. Both shipments were to have been part of the 400,000-ton total that Thailand agreed to ship Japan during October through January, depending on price arrangements negotiated 55 days prior to shipment. Sales of 130,000 tons for December and 80,000 tons for January delivery remain to be negotiated. Recent Thai negotiations with Hong Kong under a 60,000-ton agreement also failed to reach an understanding on price. However, under a new agreement between Taiwan and Thailand for 200,000 tons of corn, a price of \$168.50 per ton for bagged corn was reached for 90,000 tons to be shipped during October/November.

NIGERIA has issued import licenses for 55,000 tons of rice for nearby delivery, and contracts reportedly have already been negotiated to fulfill the licenses. About 20,000 tons of the rice in the contracts is reported to be of U.S. origin and the remainder is from Thailand. It is unclear at this time whether additional rice import licenses will be issued this year. In the marketing year ending July 31, the United States exported 137,900 tons of milled rice to Nigeria.

LIVESTOCK AND PRODUCTS

EGYPT's President Sadat banned the slaughter and sale of red meat, including imported red meat, during September to give his Cabinet officials time to draw up a plan to combat rapidly rising meat prices. Sadat also spoke out strongly against alleged profiteering by private-sector meat dealers. The government assumed control of the distribution of all chicken meat to prevent any profiteering while red meat sales are restricted. Chicken meat is being rationed inside Egypt and none is available on the open market. In addition, during the first week of September the government reportedly assumed control of all frozen chicken being held in storage by private importers. The importers received about 58 cents a pound from the government for their chicken, compared to a free-market price of about 81 cents.

TOBACCO

The PHILIPPINE Government has announced that, effective January 1, 1981, the tariff for leaf tobacco, except wrapper, will be reduced from 100 percent to 70 percent ad valorem. A further reduction to 50 percent will be effective January 1, 1982. The import duty on wrapper tobacco will remain at 30 percent ad valorem. The reduced tariffs could encourage larger imports of U.S. leaf tobacco.

HORTICULTURAL AND TROPICAL PRODUCTS

SPAIN has increased its sugar beet and sugar cane production goals from current levels for the years 1981/82 through 1983/84. The beet sugar goal for each year is 1.105 million metric tons, or the equivalent of an estimated 8.5 million tons of beets. The initial beet production goal for 1980/81 was 7.8 million tons, but the government has since eliminated all restrictions due to the very poor sugar output in 1979/80.

- more -

The sugar cane production goal for each of the three years will be 340,000 tons. In 1980/81 there was no initial goal for sugarcane, but a later decree established a target of 300,000 tons, compared with 200,000 tons in 1979/80.

The Spanish Government has also raised the maximum retail price of granulated sugar (in one kilogram packages) from 48 to 54 pesetas (from 30.3 to 34.1 cents per pound).

COFFEE production worldwide in 1980/81 is now estimated at 80.1 million bags (60 kilograms each) by the U.S. Department of Agriculture. This is 500,000 bags larger than USDA's first estimate of total output, and is virtually unchanged from the current estimate for 1979/80. Based on past performance, the chances are two out of three that this second USDA estimate of total production will vary no more than 2.9 percent from the final outturn for the year.

Exportable production, which represents total harvested production less domestic consumption in producing countries, is estimated at 60.2 million bags, down from 60.6 million bags in 1979/80.

Estimated production in North America is largely unchanged from the initial forecast except for El Salvador where the harvest could be larger if there is no flare-up in domestic hostilities. The estimate for Guatemala has been lowered by 100,000 bags. Estimates of South American production have been revised upward by 350,000 bags, due mainly to a 500,000-bag increase in the harvest expected from Brazil. This increase more than offset a 165,000-bag drop in the estimate for Peru.

Forecast production in Africa is unchanged except for a 100,000 bag downward adjustment in the estimate for Angola. In Asia, the Philippine production estimate was raised by 50,000 bags.

Total production estimates by region and principal producing countries for 1980/81 (with 1979/80 estimates as revised in parentheses) are as follows, in 1,000 bags:

Total North America 14,943 (14,566)--Costa Rica 1,880 (1,507); Dominican Republic 1,000 (700); El Salvador 2,100 (2,530); Guatemala 2,600 (2,647); Haiti 555 (655); Honduras 1,312 (1,250); Mexico 3,700 (3,610); and Nicaragua 975 (856).

Total South America 37,870 (38,240)--Brazil 21,500 (22,000); Colombia 12,400 (12,300); Ecuador 1,485 (1,474); Peru 1,100 (1,265); and Venezuela 1,150 (997).

Total Africa 17,926 (18,056)--Angola 400 (700); Cameroon 1,500 (1,600); Ethiopia 3,100 (2,963); Ivory Coast 4,166 (3,917); Kenya 1,167 (1,425) Madagascar 1,166 (1,200); Tanzania 916 (708); Uganda 2,500 (2,200); and Zaire 1,400 (1,400).

Total Asia and Oceania 9,357 (9,240)--India 2,300 (2,411); Indonesia 5,239 (5,024); Philippines 750 (690); and Papua New Guinea 780 (830).

- more -

(A more detailed analysis of the world coffee situation will be carried in FAS Circular, World Coffee Production and Trade, which will be issued on Oct. 24, 1980.)

NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

1979 Per Capita Meat Consumption Increased in Most Countries, FLM 5-80
U.S. Seed Exports, Quantity, Value, and Destination 1978/79 and 1979/80
Marketing Years, FFVS 8-80
Outlook for 1980 USSR Grain Production, FG-24-80
World Tobacco Use Static Through 1980, FT 8-80
Edible Tree Nuts: World Production and Trade Statistics in Selected
Countries, FN 2-80
Coffee Supply and Distribution in Producing Countries, 1960/61-1980/81,
FCOF 4-80

INTERNATIONAL WEATHER AND CROP SUMMARY, September 8-14, 1980

AUSTRALIA--Weekly rainfall totals of less than 10 mm fell in southern portions of the winter wheat belt. Elsewhere, dry weather prevailed. There is increasing concern with respect to yield prospects as most wheat areas received much below normal monthly precipitation in August and the dry weather pattern has continued into September. Monthly rainfall was near-normal only in a small area of southern New South Wales. Crop conditions continue to deteriorate in northern New South Wales, Queensland, and West Australia. Rain is needed soon to meet crop moisture demands in these areas. Moisture supplies should be sufficient in Victoria and most of South Australia.

CANADA--August brought above-average rainfall and below-average temperatures to most of the Prairie Provinces. The much-needed moisture helped sustain crop development and improved soil moisture reserves. However, as the wheat crop approached maturity, continued showers slowed ripening and delayed harvesting activities. The northern and eastern crop areas of the Canadian Prairies have had the most unfavorable harvest weather. Southern portions of Alberta and Saskatchewan generally have had good harvesting weather.

CHINA--Weather in the Yangtze Valley cleared early in the week, giving the region six days in which to dry out. Cool, wet weather had persisted in the region since early June, and an intensification in early August caused widespread flooding. Crop losses may have been substantial, and some replanting of rice has been reported. Most of the east and south coastal areas remained dry. At the week's end, abundant rainfall across hilly areas to the west of the North China Plain maintained favorable conditions for sowing of winter wheat. However, the front may bring more rain to the Yangtze Valley. The Manchurian Valley received near normal rainfall in July and August, and produced a good spring wheat crop.

EUROPE--Wet weather returned to many of the northern and eastern countries. Heaviest rains fell in East and West Germany. Most of the small grains had been harvested, but the later spring grains still standing probably suffered some quality losses. Drier-than-normal weather prevailed in England, France, Romania, and most Mediterranean areas. Temperatures throughout the region averaged near normal. The harvest of small grains in 1980 took place under generally favorable conditions. August weather was generally an improvement over July. Most of the north received

less than normal rainfall in August. Temperature departures from normal in August were relatively small, ranging from slightly below normal in the east to slightly above in the west. The recent rains should create favorable conditions for sowing winter grains; however, some localized areas in East and West Germany could be too wet.

MEXICO--Continuous dry weather following Hurricane Allen's rains of early August is causing fruit to size very slowly in the northeastern citrus area. However, abundant rains during the past two weeks at Valles has relieved the moisture stress. Only light rain fell in the northwestern watersheds this week, but twice the normal amount in August should maintain bright prospects for fall and winter vegetable production along the west coast. Slightly above normal rainfall during the past six weeks should generally favor the Southern Plateau's corn crop; a few lowlands may be too wet. Frequent heavy rains, up to three times normal since mid-August, likely are causing problems to cotton bolls opening at Chihuahua. Rains are hampering the harvest of Torreon, while hot dry weather is hastening cotton maturation and harvest at Mexicali.

SOUTH AMERICA--Most of Argentina's winter wheat area received well-below average rainfall during August and the first two weeks of September. Soil moisture is becoming deficient in the wheat areas of La Pampa, Cordoba, and Santa Fe Provinces. However, soil moisture reserves should still be adequate in most of Buenos Aires Province. In Brazil, most of Rio Grande do Sul State received below-normal August rainfall, while the wheat area extending from northern Rio Grande do Sul into Santa Catarina and Parana States received above-normal rainfall. Significant rainfall occurred during the week in Santa Catarina and Parana, as well as along the coastal area of Rio Grande do Sul. Relatively dry weather prevailed in the citrus area of Sao Paulo State.

SOUTH ASIA--Rainfall tapered off to near zero over a large portion of northwestern India, following only scattered amounts the week before. An early termination of the monsoon may be in store for the area. As a result, rice yields might decline slightly in Uttar Pradesh, where generally favorable conditions had persisted through August. Conditions in August were not so favorable to the northwest in Haryana and the Punjab, and an early monsoon termination there would be more serious. Abundant rainfall in Bihar, Orissa, and eastern Madhya Pradesh made up for some deficiencies in August, but rains were excessive at one upland station in eastern Madhya Pradesh. No rain fell over an extensive area inland from the southwestern coastal hills. Rainfall has been insufficient for crops in parts of that area since early June, and yields should be down. Relatively dry weather continued in Bangladesh. Minor rainfall deficiencies in August came after abundant July rains, and no serious crop shortfalls are anticipated as yet.

SOUTHEAST ASIA--Monsoon activity generally produced seasonal rainfall amounts in Thailand during August. After vigorous shower activity during the first week in September, the pattern became more variable from west to east. Generally, less than 25 mm fell in the west while 50 to 100 mm fell in eastern Thailand. Heavy rain also occurred in extreme northern Thailand where over 100 mm were recorded. The wet-season rice crop should be in good condition.

USSR--Parts of northern European USSR experienced drier weather this week, but unfavorably wet harvest weather continued for spring grains in the extreme upper Volga Valley and for winter grains in the northwest. Winter grain quality is deterior-

rating, and, although winter grain sowing is now beginning in the northwest, progress is behind schedule. Temperatures have stayed above normal, but not much time remains before frost might be expected. Light rain in the Ukraine maintained favorable sowing conditions for winter grains. Heavier rainfall in parts of the North Caucasus and lower Volga Valley improved soil moisture conditions for germination of winter grains. July weather had been relatively dry over the southeastern portion of the winter grain belt, and August left some dry pockets in important grain areas.

In the New Lands, wetter-than-normal weather across the northern half interfered somewhat with spring grain harvesting. The dampness has persisted for several weeks in some localized areas, but for the most part no serious harvest problems exist. Temperatures remained near normal, with frost occurring at a number of locations. August weather in the southwestern portions was wetter than in July, but yield losses had already occurred in areas southwest of Kustanay. To the south, cotton harvesting began early under favorable conditions. Weather in August had been favorable for the crop, with no serious irrigation shortages, and crop expectations remain high.

- more -

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 16, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWRs-12.5%..	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. No. 2 DNS/NS: 14%.....	213.00	5.80	-12	200.00
U.S. No. 2 DHW/HW:13.5%....	210.00	5.72	-10	204.00
U.S. No. 2 S.R.W.....	200.00	5.44	-11	193.00
U.S. No. 3 H.A.D.....	301.00	8.19	-14	231.50
Canadian No. 1 A: Durum....	<u>1/</u>	<u>1/</u>	<u>1/</u>	244.00
Feedgrains:				
U.S. No. 3 Yellow Corn.....	162.00	4.11	-23	137.50
U.S. No. 2 Sorghum <u>2/</u>	174.00	4.42	-20	140.00
Feed Barley <u>3/</u>	172.00	3.74	-12	165.00
Thailand Tapioca.....	180.15	--	+2.20 <u>5/</u>	--
Soybeans:				
U.S. No. 2 Yellow.....	326.50	8.89	-38	301.00
Argentine <u>4/</u>	322.25	8.77	-40	297.00
U.S. 44% Soybean Meal (M.T.)	290.00	--	-5.00 <u>5/</u>	234.00
EC Import Levies				
Wheat <u>6/</u>	108.50	2.95	-2	91.98
Barley:.....	93.55	2.04	0	79.07
Corn.....	106.60	2.71	+12	109.24
Sorghum.....	90.65	2.30	+11	102.25

1/ Not available. 2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley 4/ Optional delivery: Brazil

Yellow 5/ Dollars per metric ton 6/ Durum has a special levy.

NOTE: Basis October delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE



AGR 101
FIRST CLASS

If you no longer need this publication, check here _____ and return this sheet and/or envelope in which it was mailed and your name will be dropped from mailing list.

If your address should be changed _____ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250

PROCUREMENT SECTION
CURRENT SERIAL RECORDS

JUL 13 '81

U.S. DEPT. OF AGRICULTURE
NAT'L AGRIC LIBRARY
RECEIVED